

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	WC Docket No. 13-184
Modernizing the E-rate	)	
Program for Schools and Libraries	)	CC Docket No. 02-6
	)	

**REPLY COMMENTS OF THE  
COUNCIL OF THE GREAT CITY SCHOOLS**

The Council of the Great City Schools is pleased to submit reply comments to the Notice of Proposed Rulemaking seeking to modernize the E-Rate Program for schools and libraries, as adopted by the Federal Communications Commission on July 19, 2013. (WC Docket No. 13-184, CC Docket No. 02-6).

**Immediate and Future Funding Increases**

As we stated in our initial comments, the continued improvement and evolution of the E-Rate is instrumental to the program's long-term success. President Obama and the Commission's focus on expanding broadband services is an important one, and if structured properly, will help ensure that cash-strapped schools and libraries can deliver information-rich content and instructional materials to students and communities. Both the information that results from the NPRM and, most importantly, any additional funds that result, could not come at a more important time for schools.

Survey results released in September 2013 from the Consortium for School Networking found that 99% of responding districts reported the need for additional internet bandwidth and connectivity in the next 36 months. Over 90% of respondents also replied that E-rate funding was insufficient to meet their district's needs. This last finding does not come as a surprise to the Commission, and this point was emphasized in almost every set of comments submitted by members of the applicant community last month.

Teachers, administrators, superintendents, school boards, states, and libraries all appealed for additional E-Rate resources to undertake necessary technology upgrades. Higher education institutions, advocacy organizations, and civil rights groups all echoed the same sentiments as K-12 educators. This unified opinion is not often found in education circles, and was captured well

by the Los Angeles Unified School District in stating that, “if we are to compete in a global economy, public policy goals must also support our efforts in K-12 to increase the number of graduates in science, technology, engineering, and math (STEM) fields. Other nations are making major investments in digital education. If the U.S. does not make commensurate investments, it risks falling further behind.”

The Commission has long recognized the need for this investment and through the current rulemaking is attempting to modernize the E-Rate to ensure ongoing success. In determining the best way to restructure the program, the Notice suggested both short-term and long-term connectivity goals for schools and libraries, with Internet connections of at least 100 Mbps per 1,000 users by the 2014-15 school year and at least 1 Gbps Internet access per 1,000 users by the 2017-18 school year. We supported both of these benchmarks in our original comments, and joined the chorus of commenters urging an increased E-Rate funding cap to support schools and libraries for years to come.

In these reply comments, we reiterate our position that the Commission should also consider an immediate infusion of funds to help the poorest applicants reach the 100 Mbps goal for 2014-15. Districts may have school buildings at a range of discount levels, but the Commission can jumpstart the upgrades it is seeking and make a nationwide impact by starting with the poorest buildings that do not meet the interim bandwidth benchmarks. Focusing on the schools and libraries at the 90% discount level and targeting immediate funds for broadband investment at these sites can initiate progress towards the Commission’s goals, at the same time that it is determining the best way to restructure the overall E-Rate program.

Not all urban schools will need this quick injection of funds for the 2014-15 goals, as city school districts are at different levels of capacity in terms of bandwidth. The Oklahoma City Public Schools currently meet the short-term speed benchmark in all of their schools. In the Newark Public Schools, however, none of the district’s 79 school sites meet the 2014-15 benchmark. The targeted funding we are suggesting could essentially drive district-wide network improvements, as 77 of Newark’s 79 schools are at the 90% discount level. In Ohio, the Cincinnati Public Schools operate a total of 56 school buildings, and like Newark have no schools that meet the 2014-15 benchmark sought by the Commission. About 70% of Cincinnati’s schools, or 40 of the 56 school buildings, have poverty levels eligible for the highest E-Rate discount. The Clark County School District in Nevada is one of the largest school systems in the country, operating 329 school sites. Just under half of the schools in the district do not currently meet the 2014-15 benchmark, and immediate action by the Commission could spur renovations in the 40 buildings that are eligible for the 90% discount.

#### Calculating Discounts

In our original comments and in past proceedings, we have voiced our opposition to proposals to change the discount matrix. The 90 percent discount and priority for the nation’s poorest schools remains vital today, as the impact of years of state and local budget cuts continues to mount, and the freezes, reductions, and sequestration of federal education appropriations have forced high poverty districts throughout the country to reduce educational services.

We appreciated the comments submitted jointly by the American Association of School Administrators (AASA) and the Association of Educational Service Agencies (AESA), organizations representing thousands of education leaders, mostly from rural and suburban areas. Like the Council, AASA and AESA opposed changes to the E-Rate discount matrix for priority one services, and made familiar arguments regarding the harsh financial situation that its members have been facing due to the economy. We understand their fears regarding the increase in the local share of funds that would be required if the discount matrix was changed, and we extend that concern to priority two services, as well.

Of particular interest to the Council was AASA and AESA's position regarding the Commission's proposal for a single, district-wide calculation rate. In our initial comments, we outlined examples of the different poverty levels within school districts, and the negative impact that such a change would have for schools with poverty levels that are higher than the district average. Our sentiment was mirrored in AASA and AESA's comments, which said, "The NPRM proposes calculating discount rates at the school district level rather than using the weighted average for each school building. AASA and AESA strongly oppose this change, as it would adversely affect low-income schools in large or county-wide school districts by lowering their discount rate percentages. At the same time, wealthy schools in the same districts would benefit from an increase in their discount rates."

We understand the benefits the Commission is trying to bring about by implementing this change, but the harm that it would cause to poor schools in a variety of locales should create some doubt about whether a mandatory, single discount calculation is the best way forward. If both urban and rural schools will be damaged by such a change, a single calculation should remain an option for applicants, but must not become the only option for school districts.

#### Changing the Application and Reimbursement Process

The Council was wary in its initial comments about changes to the E-Rate that would institute a per-pupil cap or funding budget for applicants, regardless of project need, geographic price differences, or poverty levels. A significant number of commenters also voiced concerns on this proposal, both with similar arguments as ours, as well as other drawbacks.

The Wisconsin Department of Public Instruction (DPI) oversees over 400 school districts throughout that state, only one of which is an urban member of the Council. Yet they were also skeptical of a formula approach to the E-Rate program, based on the number of factors that should be included to ensure a fair distribution of funds. Wisconsin's DPI stated, "We do find it ironic that all of the Commission's own questions on such a formulaic approach appear to introduce more complexity into the program, not less. For example, there is need to consider: Rural and high-cost areas; High poverty areas; Developing a funding baseline, or not; School allocation vs. library allocation; Impact on consortium applications; Modifying current bidding requirements; Determining level of local match."

The New America Foundation is a nonpartisan public policy institute seeking to address the next generation of challenges facing the United States. In addressing a per-pupil approach, New America stated, "While the Commission has acknowledged that a fixed allocation of E-rate funds

to all schools, for instance adoption of a per-pupil allocation system, may simplify some aspects of program administration, it may also introduce greater inequality. While the current program administration is quite burdensome, it does accommodate for the widely variant needs of each applicant, or group of applicants. As the Commission strives to promote affordable access to 21st century broadband service for all schools and libraries, it should critically consider how moving to a fixed distribution of funds allocated on a per-pupil basis may undermine this goal.”

These two above comments underscore the issues that may result from moving away from the current application and reimbursement process. In seeking to simplify a burdensome application system, the Commission would likely need to add further complexities to remain fair, and could also undermine the unique and market-based approach the current process supports.

### Support for Existing Services

Finally, we want to use this opportunity to underscore our support for some of the existing services that are currently eligible for E-Rate funding. Most of the comments received by the Commission attempted to make this point clearly, and we want to emphasize their importance. Recognizing the continuous evolution of technology is a vital aspect of the E-Rate, and focusing on broadband speeds is an essential adaptation for future success. But the E-Rate must also continue to support the baseline of integral services that have been diligently planned and implemented to date. Swift action on the reforms in the Notice demonstrates the commitment to make necessary changes, but the Commission must not neglect the operational reality that local officials face.

One of the examples cited commonly in the initial round of comments regarded voice telephone service. Schools from all locales highlighted the important role that voice service plays in communications, life safety plans, and emergency systems in their districts, as well as the significant local investments that have been made to establish land line-supported voice and data. The Miami-Dade County Public Schools (M-DCPS) described the financial implications of eliminating E-Rate support for these services by saying, “While M-DCPS believes, for instance, that VoIP can indeed be a viable alternative where feasible, existing PBX platforms would be costly to transition to VoIP, particularly when the costs of new sets is considered. Still, however, migrating to VoIP and abandoning a PBX infrastructure that includes a huge investment in such equipment just because a district is forced into this technology is not necessarily appropriate or cost effective to the applicant.”

Another comment found in many submissions involves support for Basic Maintenance of Internal Connection (BMIC). In our initial comments, we offered that revoking the eligibility of maintenance costs will sacrifice both the local and E-Rate money that has been invested in upgrades, and could also have a chilling effect on future investment in infrastructure and broadband purchases, as school boards contemplate a costly local share for upkeep. The New York City Department of Education submitted a more chilling outcome, in that, “If reliable access in the schools cannot be sufficiently maintained, the program’s intent to advance education through connecting classrooms to the Internet will fail.” The School District of Philadelphia’s statement on the subject was the flip side of the same coin, and shared by many comments from local administrators. “BMIC is integral to the continued, reliable operation of E-

rate funded telecommunications equipment - equipment that is crucial to delivering broadband to the classroom...BMIC funding has become foundational to ensuring the success of the E-rate support mechanism in schools.”

### Conclusion

Despite national indicators of economic recovery, local school districts continue to struggle with school operations due to diminished education budget cuts and billions of dollars of losses in recent years. In a time of tight finances at the local, state, and federal level, the president’s call to deploy high-capacity bandwidth to all is a sound investment for our nation, and one we wholly support. We also share the Commission’s sense of urgency in re-focusing the E-Rate program on new technology and broadband deployment, and would like to emphasize that both action and increased funding is needed. In addition to raising the cap for future funding years, we ask the Commission to consider our suggestion to provide immediate funding for broadband deployment at the highest-poverty sites, as the collection of data proposed in the NPRM, as well as the deliberation over the hundreds of questions raised in the Notice, may require significant time before resolution is reached.

The E-Rate has allowed city school districts to benefit from modern telecommunications, and the program has helped many students and schools – regardless of income or location – receive access to technology, media, and information-rich instructional content that is a necessary part of contemporary education. We must use this opportunity to build on the existing success of the E-Rate program and ensure all students can benefit from modern instruction.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Michael D. Casserly".

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